

Request for Proposal for Consulting Services for GHIP

Recommendation for Award of Contract(s)

May 13, 2016

Background:

- *January and February 2016:* Development of the RFP scope of work, evaluation criteria, and minimum requirements. SEBC members were provided with copies of the draft for comment.
- *March 2016:* Released RFP and provided detailed background and overview information about Delaware's challenges, spending trends and the findings of the State Employees Health Plan Task Force. In order to be a candidate, consultants must have experience in all the services that are integral to assisting the SEBC in the design and administration of the GHIP. The Intent to Bid deadline was extended two weeks, along with the Bid Submission dates from March 16 to March 30, 2016. However, no additional interest was received.
- *April 2016:* Received bid responses from five vendors – The Segal Group, Aon Hewitt, Willis Towers Watson, Cheiron, Inc., and Connor Strong Buckelew.
- *April 2016:* The Statewide Benefits Office reviewed the proposals, sent follow-up questions as necessary, and conducted reference checks. SBO determined that all the bidders except Connor Strong Buckelew met the minimum requirements and were therefore qualified. Connor Strong Buckelew did not meet key minimum requirements related to experience with clients of a similar size. All four remaining vendors were designated as a finalist and invited to interview.
- *May 2016:* The SEBC and PRC members were invited to participate in a conference call to discuss the difference between the recommendations for award process for this RFP compared to the typical procurement process. One SEBC member and all PRC members except one participated. Though each vendor would be scored on the evaluation criteria set forth in the RFP as is the typical procedure, the PRC would evaluate the finalists for a designation of *approved*. Then, a vote would be taken whether or not to recommend to the SEBC that a contract be awarded to each approved vendor and therefore fulfilling the goal of multiple qualified vendors for any of the services required by the SEBC. Additionally, the PRC would recommend one vendor be awarded the contract for Primary Support.
- *May 10, 2016:* Finalist interviews were conducted and the PRC considered the analysis of the bid responses and the presentations and information provided during the finalist interviews. The finalists were asked to address a priority area or topic that they would recommend the SEBC address over the next three years where the State of Delaware can enhance and optimize the design and

administration of our programs to achieve elevated financial performance and member engagement. The finalists were asked to demonstrate their creativity, innovative thinking and a strong understanding of the limitations and challenges that self-insured public sector health plans face. The PRC discussed each vendors' qualifications, concerns about the selection process, the concept of a list of qualified vendors, scoring criteria, and procurement rules.

- *May 13, 2016*: Scoring was conducted in accordance with the RFP requirements. The PRC members deliberated and agreed that all the finalists demonstrated their expertise with an overall depth of ability and experience of their organization and personnel, project management skills, customer service, and reporting abilities, along with competitive fees and performance guarantees. The PRC voted that all the finalists were approved to be recommended to the SEBC for a contract award.
- The PRC voted to recommend that the Primary Support contract be awarded to Willis Towers Watson based on the following:
 - Extensive experience both by the organization and personnel that would be assigned to this account with public sector clients of a similar size (state government, lives covered and spend).
 - Presentation of ideas and recommendations to achieve elevated financial performance and member engagement. They demonstrated creativity, innovative thinking and a strong understanding of the limitations and challenges that self-insured public sector health plans face.
 - Proven ability to provide services and manage projects in the following areas of expertise: actuarial services, regulatory compliance, benefits design, strategic planning, contracting/procurement and communications.
 - Acceptable fee structure based on above qualifications applicable to Primary Support services and Special Projects.
 - Comments from the Judiciary: Support the award of Primary Support to Willis Towers Watson; however, have some concerns with some information not being submitted with their initial bid response and their level of responsiveness related to the RFP request as well as not providing more State/public sector references.

- As such the PRC recommends the following:

Recommendation

RESOLVED that with respect to the award of a contract pursuant to the Request for Proposal (RFP) for Consulting Services for the State of Delaware's Group Health Insurance Program, the Proposal Review Committee recommends to the State Employee Benefits Committee as follows:

- Contract award for Special Project services to The Segal Group, Cheiron, Inc., and Aon Hewitt. The Scope of Work for each project shall be an amendment to the general services contract. For a project where the consultant will receive confidential non-aggregated data, the firm must meet the Technology Terms and Conditions as required by DTI which will be included in the amendment.
- Contract award for Primary Support services to Willis Towers Watson for an initial term of two years with three one-year renewal options beginning May 24, 2016.
- Contract award to Willis Towers Watson for the Health Plan Administration RFP development, analysis of bids, and contracting beginning May 24, 2016.
- All awards shall be subject to a finalized contract which shall include performance guarantees and negotiated pricing along with a termination clause requiring that contracts for Primary Support and all Special Projects may be terminated by the State for convenience or cause upon thirty days' written notice.